

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004
McMANIMON, SCOTLAND & BAUMANN, LLC
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In re: FRUTTA BOWLS FRANCHISING, LLC, Debtor.

Case No. 19-13230 (MBK)

Honorable Michael B. Kaplan,
Chief U.S.B.J.

Chapter 11

Hearing Date and Time:
December 17, 2020, at 10:00 a.m.

**ORDER GRANTING MOTION OF ANDREA DOBIN,
CHAPTER 11 TRUSTEE, AUTHORIZING (A) SALE OF
DEBTOR'S ASSETS, FREE AND CLEAR OF ALL LIENS,
CLAIMS, AND ENCUMBRANCES PURSUANT TO 11
U.S.C. § 363(b), (f), AND (m); (B) ASSUMPTION AND
ASSIGNMENT OF CERTAIN CONTRACTS PURSUANT
TO 11 U.S.C. § 365; AND (C) RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through five (5), is hereby

ORDERED.

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Caption of Order: Order Granting Motion of Andrea Dobin, Chapter 11 Trustee, Authorizing (A) Sale of Debtor's Assets, Free and Clear of All Liens, Claims and Encumbrances Pursuant to 11 U.S.C. § 363(b), (f) and (m); (B) Assumption and Assignment of Certain Contracts Pursuant to 11 U.S.C. Pursuant to 11 U.S.C. § 365; and (C) Related Relief

THIS MATTER, having been presented to the Court by Andrea Dobin, the Chapter 11 Trustee (the “Trustee”) for Frutta Bowls Franchising, LLC, Chapter 11 debtor (“Debtor”), by and through her counsel, McManimon, Scotland & Baumann, LLC, upon the filing of a motion for entry of an Order authorizing the (A) sale of the Debtor’s assets (“Transferred Assets”), free and clear of all liens, claims, and encumbrances pursuant to 11 U.S.C. § 363(b), (f), and (m); (B) assumption and assignment of certain executory contracts pursuant to 11 U.S.C. § 365 (“Assigned Contracts”); and (C) granting related relief (the “Motion”); and due and proper notice of the Motion and related matters before the Court in this case having been given; and the Court having considered the moving papers and opposition thereto, if any, any additional bids received for the Transferred Assets; and oral argument, if any; and good and sufficient cause existing for the granting of the relief as set forth herein,

THE COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

- A. Full and adequate notice of the Motion has been afforded to all interested parties.
- B. Pursuant to an Assignment of Interests of Frutta Bowls, LLC (“Bowls”) and Frutta Bowls Distribution, LLC (“Distribution”) to the Trustee, effective August 14, 2020, they each transferred, set over and assigned any and all interests to the Trustee the following assets owned by (a) Bowls: a system relating to the establishment, development and operation of Frutta Bowls businesses including certain know-how, trade secrets, copyrighted material (registered or unregistered) and trademarks, including the service mark “Frutta Bowls” design (U.S. Reg. No.

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5184834), word mark, "Frutta Bowl" (Serial No. 87593542 – application pending), and word mark "This is How I Frutta" (Serial No. 87574888 – application pending) and other unregistered trade names, trademarks, service marks, logos, trade dress, commercial symbols and proprietary rights, and (b) Distribution: any distribution rights, known or unknown (collectively, the Transferred Interests").

C. The offer made by Frutta Bowls Franchisor, LLC (the "Purchaser") in the amount of Four Hundred Thousand Dollars (\$400,000), plus the additional consideration being paid for the accounts receivable, is the highest and best offer received for the Transferred Assets and the sale price for the Transferred Assets constitutes full and adequate consideration and reasonably equivalent value for the Transferred Assets.

D. The transaction being proposed by the Trustee was negotiated at arm's length and in good faith.

E. The Purchaser is a good faith purchaser for value pursuant to Section 363(m) of the Bankruptcy Code and, as such, the sale of the Transferred Assets is entitled to all of the protections afforded thereby. The Purchaser is acting and shall act in good faith within the meaning of Section 363(m) of the Bankruptcy Code in closing the transaction(s) contemplated by in the Agreement of Sale ("Agreement").

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion is **GRANTED**.

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2. The sale is hereby approved. The record and transcript of the hearing and all findings and determinations of this Court are hereby incorporated herein.

3. The Trustee is hereby authorized to execute such necessary and appropriate documents in connection with the sale, either on behalf of the Debtor, or as Power of Attorney for Bowls and Distribution with respect to any of the Transferred Interests.

4. The Trustee is authorized to assume and assign any existing unexpired contracts or leases ("Assumed Contracts") to Purchaser relating to the Debtor's business pursuant to 11 U.S.C. § 365, free and clear of all interests or claims of any kind or nature whatsoever and to execute and deliver to the Purchaser such documents or other instruments as may be necessary to assign and transfer the Assumed Contracts to the Purchaser.

5. The transaction will close on or before December 30, 2020; notwithstanding anything contained herein to the contrary, the Closing Date may be extended upon the mutual written consent of the Trustee and Purchaser or upon further Order of the Court.

6. This Sale Order will be binding in all respects upon the Debtor, its bankruptcy estate, all creditors, all holders of equity interests in the Debtor, all holders of any interests or claims (whether known or unknown) against the Debtor, all counterparties to any executory contract or unexpired lease of the Debtor, and any trustees, examiners, or other fiduciary, if any, subsequently appointed in the Debtor's Chapter 11 case or upon a conversion to Chapter 7 under the Bankruptcy Code.

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7. The stay provisions under Fed. R. Bankr. P. 6004(h) be and hereby are waived and, therefore, not applicable to this Sale.

8. This Court will retain exclusive jurisdiction to resolve any disputes relating to the sale of the Transferred Assets or the within Order.